

DECEMBER 11, 1989

THE DIRECTOR OF THE DIVISION OF STATE LANDS & FORESTRY TOOK FORMAL ACTION ON DECEMBER 11, 1989, AT 9:30 A.M. IN THE DIVISION OF STATE LANDS & FORESTRY OFFICE, 355 WEST NORTH TEMPLE, 3 TRIAD CENTER, SUITE 400, SALT LAKE CITY, UTAH 84180-1204, ON THE BELOW LISTED MINERAL AND SURFACE BUSINESS MATTERS AS INDICATED.

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MINERAL LEASE APPLICATIONS

OIL, GAS & HYDROCARBON MINERAL LEASE APPLICATIONS - APPROVED

Upon recommendation of Mr. Blake, the Director approved the Oil, Gas and Hydrocarbon lease applications listed below at a rental of \$1.00 per acre per annum; royalty as provided in the lease form approved by the Board of State Lands. The applications have been checked by the Mineral Division and found to be in order. The land status has been examined and the lands found to be open and available.

Min. Lease Appl. No. 44656	<u>T22S, R5E, SLB&M.</u>	Sevier
Standard Energy Corp. (40%)	Sec. 2: All	1,362.67 acres
Yellow Ribbon, Inc (60%)	Sec. 13: SW4SW4	
42 Calle Feliz	Sec. 14: SE4SE4	
Sedona, AZ 86336	Sec. 16: All	

Min. Lease Appl. No. 44658	<u>T29S, R3E, SLB&M.</u>	Wayne
Robert D. St. John	Sec. 1: Lot 2, SW4NE4	73.73 acres
1100 Four Ten Building	Less land for	
410 Seventeenth Street	highway right	
Denver, CO 80202	way in project	
	No. NS-371(3)	
	containing 6.35	
	6.35 acers m/l	

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OIL, GAS & HYDROCARBON LEASE APPLICATIONS - PARTIALLY APPROVED
AND PARTIALLY REJECTED

Upon recommendation of Mr. Blake, the Director partially approved the Oil, Gas and Hydrocarbon lease applications listed below at a rental of \$1.00 per acre per annum; royalty as provided in the lease form approved by the Board of State Lands. The application has been checked by the Mineral Division and found to be in order. The land status has been examined and the lands found to be open and available have been approved. The Director rejected the lands as listed below and ordered the refund of the advance rental on the rejected portion.

Min. Lease Appl. No. 44655	<u>T21S, R7E, SLB&M</u>	Emery
Standard Energy Corp. (40%)	Sec. 30: NW4NE4	40.00 acres
Yellow Ribbon, Inc (60%)		
42 Calle Feliz		
Sedona, AZ 86336		

REJECTED PORTION:	<u>T21S, R7E, SLB&M</u>	Emery
	Sec. 19: NE4SE4	40.00 acres

REJECTED: In conflict with ML 43226

REFUND: \$40.00

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METALLIFEROUS MINERAL LEASE APPLICATION - APPROVED

Upon recommendation of Mr. Mansfield, the Director approved the Metalliferous Minerals lease application listed below at a rental of \$1.00 per acre per annum; royalty as provided in the lease form approved by the Board of State Lands. The application has been checked by the Mineral Division and found to be in order. The land status has been examined and the lands found to be open and available. The reassessment date for these leases is January 1, 2000.

Min. Lease Appl. No. 44657	<u>T28S, R8W, SLB&M</u>	Beaver
Walt Martin	Sec. 32: All	640.00 acres
240 S Rock Blvd. No. 117		
Reno, NV 89502		

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INTEREST ASSIGNMENTS--OIL, GAS, AND HYDROCARBON LEASES

Upon recommendation of Mr. Bonner, the Director, approved the assignment of 50% interest in and to the Oil, Gas, and Hydrocarbon Leases listed below to Chuska Energy Company, 1775 Sherman Street, Suite 1880, Denver, CO 80203, by Robert H. Hannifin, who reserves 5% overriding royalty. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: ROBERT H. HANNIFIN--50%,
R.E. ECKELS--23.50%,
M.P. ECKELS--23.50%,
C.R.F. ECKELS--2.50%, AND
BEVERLY J. SMITH--.50%

....ML 44082....ML 44083....

Upon recommendation of Mr. Bonner, the Director, approved the assignment of 23.5% interest in and to the Oil, Gas, and Hydrocarbon Leases listed below to Chuska Energy Company, 1775 Sherman Street, Suite 1880, Denver, CO 80203, by R.E. Eckels (by Richard W. Eckels, Personal Representative for the R.E. Eckels Estate), who reserves 1.175% overriding royalty. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: ROBERT H. HANNIFIN--50%,
R.E. ECKELS--23.50%,
M.P. ECKELS--23.50%,
C.R.F. ECKELS--2.50%, AND
BEVERLY J. SMITH--.50%

....ML 44082....ML 44083....

Upon recommendation of Mr. Bonner, the Director, approved the assignment of 23.5% interest in and to the Oil, Gas, and Hydrocarbon Leases listed below to Chuska Energy Company, 1775 Sherman Street, Suite 1880, Denver, CO 80203, by M.P. Eckels, who reserves 1.175% overriding royalty. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: ROBERT H. HANNIFIN--50%,
R.E. ECKELS--23.50%,
M.P. ECKELS--23.50%,
C.R.F. ECKELS--2.50%, AND
BEVERLY J. SMITH--.50%

....ML 44082....ML 44083....

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INTEREST ASSIGNMENTS--OIL, GAS, AND HYDROCARBON LEASES (cont.)

Upon recommendation of Mr. Bonner, the Director, approved the assignment of 2.5% interest in and to the Oil, Gas, and Hydrocarbon Leases listed below to Chuska Energy Company, 1775 Sherman Street, Suite 1880, Denver, CO 80203, by C.R.F. Eckels, who reserves 1.125% overriding royalty. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: ROBERT H. HANNIFIN--50%,
R.E. ECKELS--23.50%,
M.P. ECKELS--23.50%,
C.R.F. ECKELS--2.50%, AND
BEVERLY J. SMITH--.50%

....ML 44082....ML 44083....

Upon recommendation of Mr. Bonner, the Director, approved the assignment of .5% interest in and to the Oil, Gas, and Hydrocarbon Leases listed below to Chuska Energy Company, 1775 Sherman Street, Suite 1880, Denver, CO 80203, by Beverly J. Smith, who reserves .025% overriding royalty. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: ROBERT H. HANNIFIN--50%,
R.E. ECKELS--23.50%,
M.P. ECKELS--23.50%,
C.R.F. ECKELS--2.50%, AND
BEVERLY J. SMITH--.50%

....ML 44082....ML 44083....

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OPERATING RIGHTS ASSIGNMENTS--OIL, GAS, AND HYDROCARBON LEASES

Upon recommendation of Mr. Bonner, the Director approved the assignment of 15% interest in operating rights from the surface down to the stratigraphic equivalent of 5600 feet, as encountered in the Douglas Creek Member of the Green River Formation in the State 16-1-0 Well located in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Sec. 16, T9S, R16E, SLB&M., in part of leased lands: S $\frac{1}{2}$ SE $\frac{1}{4}$ Sec. 16, T9S, R16E, SLB&M., 80.00 acres, in and to the Oil, Gas, and Hydrocarbon lease listed below to Alanmar Enterprises, 111 West Micheltorena Street, Santa Barbara, CA 93101, by Alanmar Drilling Program. No override, but subject to 11.5% overriding royalty previously reserved. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: CELSIUS ENERGY COMPANY
OPERATING RIGHTS: FROM SURFACE OF GROUND
TO STRATIGRAPHIC EQUIVALENT IN DOUGLAS
FORMATION AS ENCOUNTERED AT DEPTH OF
5650 FEET
T9S, R16E, SLB&M. 80.00 ACRES
Sec. 16: S $\frac{1}{2}$ SE $\frac{1}{4}$
GREAT WESTERN DRILLING CO.--25%,
HYDROCARBON ENERGY INC.--15%,
ALANMAR DRILLING PROGRAM--15%,
ALTA 1984--II, LTD. DRILLING--14.0108%,
ALTA COMMONWEALTH, LTD. III--11.2917%,
ALTA ENERGY CORPORATION--7.5001,
AMERICAN PETROLEUM DRILLING PROGRAM
1980-D--3.51%,
PETROLEUM TECHNICAL SERVICES--3.125%,
SHELBY DRILLING, INC.--2.5%,
WHITE PINE FUND 1981--1.0312%,
D&R ENERGY PROGRAM 1981A--1.0312%,
AND UNITED PIPE & SUPPLY INC.--1%

....ML 16532....

OPERATING RIGHTS ASSIGNMENTS--OIL, GAS, AND HYDROCARBON LEASES (cont.)

Upon recommendation of Mr. Bonner, the Director approved the assignment of 13.5% interest in operating rights from the stratigraphic equivalent of 100 feet below 3696 feet as found in the Horseshoe Bend State Well 1D-2-7-21 located in SE $\frac{1}{4}$ of Sec. 2, T7S, R21E, SLB&M., to the stratigraphic equivalent of 100 feet below 7098 feet as found in the State 2-1-E Well, located in SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Sec. 2, T7S, R21E, SLB&M., in and to the Oil, Gas, and Hydrocarbon lease listed below to Alanmar Enterprises, 111 West Micheltorena Street, Santa Barbara, CA 93101, by Alanmar Drilling Program. No override, but subject to 12.5% overriding royalty previously reserved. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: SOCO 1979 ACREAGE PROGRAM

OPERATING RIGHTS: FROM THE STRATIGRAPHIC EQUIVALENT OF 100 FEET BELOW 3696 FEET AS FOUND IN THE HORSESHOE BEND STATE WELL 1D-2-7-21 LOCATED IN SE $\frac{1}{4}$ OF SEC. 2, T7S, R21E, SLB&M., TO THE STRATIGRAPHIC EQUIVALENT OF 100 FEET BELOW 7098 FEET AS FOUND IN THE STATE 2-1-E WELL, LOCATED IN SW $\frac{1}{4}$ NW $\frac{1}{4}$ SEC. 2, T7S, R21E, SLB&M.

GREAT WESTERN DRILLING CO.--25%,
ALANMAR DRILLING PROGRAM 1984--13.5%,
ALTA ENERGY CORPORATION--10.125%,
HYDROCARBON ENERGY, INC.--10%,
JACK B. WILKINSON, JR.--10%,
ALTA COMMONWEALTH, LTD. II--7.25,
ALTA 1984-II LTD. DRILLING
PARTNERSHIP--6.5%,
SOUTHWESTERN 1984 DRILLING PROGRAM LTD.
PARTNERSHIP--5%,
PETROLEUM TECHNICAL SERVICES
COMPANY--3.125%,
H. WAYNE STEAD--3%,
SHELBY DRILLING INC.--2.5%,
UNITED PIPE & SUPPLY, INC.--1%,
PETER L. SPOOR--1%,
JAMES W. RAMSEY--1%, AND
MUSTANG DRILLING FLUIDS--1%

....ML 38354.....

OPERATING RIGHTS ASSIGNMENTS--OIL, GAS, AND HYDROCARBON LEASES (cont.)

Upon recommendation of Mr. Bonner, the Director approved the assignment of 13.5% interest in operating rights from the stratigraphic equivalent of 100 feet below 3696 feet as found in the Horseshoe Bend State Well 1D-2-7-21 located in SE $\frac{1}{4}$ of Sec. 2, T7S, R21E, SLB&M., to the stratigraphic equivalent of 100 feet below 7098 feet as found in the State 2-1-E Well, located in SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Sec. 2, T7S, R21E, SLB&M., in part of leased lands: N $\frac{1}{2}$ NE $\frac{1}{4}$ Sec. 2, T7S, R21E, SLB&M., 32.7 acres, in and to the Oil, Gas, and Hydrocarbon lease listed below to Alanmar Enterprises, 111 West Micheltorena Street, Santa Barbara, CA 93101, by Alanmar Drilling Program 1984. No override, but subject to 12.5% overriding royalty previously reserved. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: SOCO 1979 ACREAGE PROGRAM
OPERATING RIGHTS: FROM THE STRATIGRAPHIC
EQUIVALENT OF 100 FEET BELOW 3696 FEET AS
FOUND IN THE HORSESHOE BEND STATE WELL
1D-2-7-21 LOCATED IN SE $\frac{1}{4}$ OF SECTION 2,
T7S, R21E, SLB7M., TO THE STRATIGRAPHIC
EQUIVALENT OF 100 FEET BELOW 7098 FEET AS
FOUND IN THE STATE 2-1-E WELL, LOCATED IN
SW $\frac{1}{4}$ NW $\frac{1}{4}$ SEC. 2, T7S, R21E, SLB&M.
T7S, R21E, SLB&M. 32.7 acres
Sec. 2: N $\frac{1}{2}$ NE $\frac{1}{4}$
GREAT WESTERN DRILLING CO.--25%,
ALANMAR DRILLING PROGRAM 1984--13.5%,
ALTA ENERGY CORPORATION--10.125%,
HYDROCARBON ENERGY, INC.--10%,
JACK B. WILKINSON, JR.--10%,
ALTA COMMONWEALTH, LTD. III--7.25,
ALTA 1984-II LTD. DRILLING
PARTNERSHIP--6.5%,
SOUTHWESTERN 1984 DRILLING PROGRAM LTD.
PARTNERSHIP--5%,
PETROLEUM TECHNICAL SERVICES
COMPANY--3.125%,
H. WAYNE STEAD--3%,
SHELBY DRILLING INC.--2.5%,
UNITED PIPE & SUPPLY, INC.--1%,
PETER L. SPOOR--1%,
JAMES W. RAMSEY--1%, AND
MUSTANG DRILLING FLUIDS--1%

....ML 37653.....

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OPERATING RIGHTS ASSIGNMENTS--OIL, GAS, AND HYDROCARBON LEASES (cont.)

Upon recommendation of Mr. Bonner, the Director approved the assignment of 18.5% interest in operating rights limited to interval from 4025 feet to 7423 feet in part of leased lands: E $\frac{1}{2}$ NE $\frac{1}{4}$ (Bed of the Green River) Sec. 30, T6S, R21E, SLB&M., in and to the Oil, Gas, and Hydrocarbon lease listed below to Alanmar Enterprises, 111 West Micheltorena Street, Santa Barbara, CA 93101, by Alanmar Drilling Program 1984. No override.

LEASE OWNERSHIP: CALAIS RESOURCES, INC.--50%,
JOHN P. LOCKRIDGE--25%,
AND PRIMA ENERGY CORPORATION--25%
OPERATING RIGHTS: LIMITED TO INTERVAL
FROM 4025 FEET TO 7423 FEET
T6S, R21E, SLB&M.
Sec. 30: E $\frac{1}{2}$ NE $\frac{1}{4}$ (Bed of Green River)
GREAT WESTERN DRILLING COMPANY--25%,
FINA OIL AND CHEMICAL COMPANY--21.875%,
ALANMAR ENTERPRISES--18.5%,
ALTA ENERGY CORPORATION--8.7534%,
ALTA 1984-II LIMITED DRILLING--8%,
ALTA COMMONWEALTH LIMITED--II--8.2466%,
PETROLEUM TECHNICAL SERVICES
COMPANY--3.125%,
H. WAYNE STEAD--3%,
SHELBY DRILLING INTERNATIONAL--2.5%,
AND UNITED PIPE AND SUPPLY--1%

....ML 40226....

TOTAL ASSIGNMENT--METALLIFEROUS MINERAL LEASE

Upon recommendation of Mr. Bonner, the Director, approved the assignment of the Metalliferous Minerals Lease listed below to Atlas Precious Metals Inc., 743 Horizon Court, Suite 202, Grand Junction, CO 81506, by Harold D. Jones, who reserves .5% overriding royalty. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: HAROLD D. JONES

....ML 43096....

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LETTER OF CREDIT, STATE OF UTAH, OIL, GAS, AND HYDROCARBON LEASES
ML 21181 AND ML 21836

Gavilan Petroleum Inc., operator of the Paiute State 2-1A Well under ML 21181 and the Gavilan State 22-32 Well under ML 21836 has submitted a \$20,000 Letter of Credit from Wells Fargo Bank N.A., Letter of Credit No. NBS129906, to cover oil and gas exploration and development operations on these wells.

This Letter of Credit is in order, and upon recommendation of Mr. Bonner, the Director approved Letter of Credit for ML 21181 and 21836.

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SURFACE BUSINESS MATTERS

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GRAZING PERMITS

ASSIGNMENT OF GRAZING PERMIT NO. 22135

Bruce N. and Bonnie Harris have requested permission to assign 100% of their interest in the above grazing permit to Robert M. Brown, P.O. Box 6406, Blythe, CA 92225. The \$20.00 assignment fee has been submitted.

Upon recommendation of Mr. Carter, Mr. Klason approved the assignment of GP 22135.

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SOVEREIGN LANDS SPECIAL USE LEASE

EXPIRATION OF SPECIAL USE LEASE NO. 048

The above referenced Sovereign Lands Special Use Lease issued to Timp Marina Club, c/o John E. Dunn, 929 California Avenue, Salt Lake City, Utah 84104 expired on December 31, 1988. Lessee met with Max Wall and Mike Grosjean and was advised that a new lease application would need to be submitted and competing applications would be solicited.

Upon recommendation of Mr. Grosjean, the Director approved the expiration of SULA 048.

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PAID FHA INVESTMENTS

Records have been noted that the following FHA loans were paid in full and documents returned to the lending institution.

<u>NAME</u>	<u>ACCOUNT NO.</u>	<u>DATE PAID</u>
David L Robins et al	FHA 576	11/15/89
Richard T. Wright	FHA 677	12/08/89

Upon recommendation of Mr. Johnson, the Director made note of paid FHA loans FHA 576 and FHA 677.

<u>INTEREST RATE</u>	<u>CURRENT YEAR</u>	<u>YEAR AGO</u>
Base Rate	10.50	10.50



PATRICK D. SPURGIN, DIRECTOR
DIVISION OF STATE LANDS/FORESTRY



LESLIE M. WARNER, RECORDS SUPERVISOR

ARCHIVES APPROVAL NO. 7900209